



# Marketing Strategies Affecting Passengers' Decision Making towards Thai Smile Airways: a case study Northeastern Thailand Routes \*

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## Abstract

This article is part of the research on marketing strategies affecting passengers' decision making toward Thai Smile Airways in routes in the Northeastern region of Thailand. The research aims to study the background of Thai Smile Airways current situations in the aviation industry, market share, target customers, market positioning, rivalry between established firms, future tendencies of Thai Smile Airways, as well as the Airways' marketing mix which influences the customers' decisions, leading to proposing suggestions on plans to adjust the marketing strategies to suit consumer behavior, and to propose guidelines to revise the airline's marketing strategies. The data investigations of this study were collected at Udon Thani International Airport and Ubon Ratchathani Airport, which are the only two destinations of the Northeastern routes, by the in-depth interview with the airlines marketing managing directors and altogether with 400 questionnaires from the airline passengers in two airports. The basic statistics consisted of the mean, percentage, and standard deviation.

**Keywords:** Marketing Strategies, Thai Smile Airways, Northeastern Thailand

## Introduction

At present, there are about 44 new airlines opening each year, while 75 of the existing airlines close down. This number indicates the tendency of the business failure rate is higher than the success rate, meaning that there will likely be fewer airlines in the future. Nevertheless, the condition of the aviation industry in Asia Pacific is still on the positive side, with the Middle East airlines' expanding their production capacity at a higher rate than any of the airlines from other regions (Thai Airways, 2014). At the same time, the United Nations World Tourism Organization (UNWTO) has predicted that by 2020 there will be 1,600 million international tourists. East Asia and the Pacific, and

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countries in Southeast Asia are now the new tourist destinations with increasing numbers of visitors (Ministry of Tourism and Sports, 2013).

The growth of the aviation industry corresponds with the expanding air transport in Asia. There are many new airlines, and most of them are low-cost. Recently, low-cost airlines have become popular with consumers, and the airlines can also quickly get a market share. In Thailand, the expansion rate of low-cost airlines is 51 percent, with an estimated 60 million passengers per year. The interesting point in this type of industry is the organizing patterns of low-cost airlines including cooperation with foreign airlines, whose purpose is to get the market share, or to start a joint venture with full-service airlines, or even to expand airline networks.

The competition among Thailand's domestic airlines is getting intense order to get as much of the market share as possible. Moreover, Open sky policy has encouraged the growth of new low-cost airlines, the main rivals of the full-service aviation industry, to increase in numbers and expand throughout the country. The first low-cost airline was started by cooperation between Thai Air Asia and a Malaysian airway which became very successful. This has caused other airways to come up with new strategies to take back their market share.

This tendency of the Thai aviation industry is expected to constantly grow. In addition, many aviation businesses predicted that the growth tendency would stay unchanged and continued increasing during the last quarter of the year. The key factors include increasing commercial airplanes of Thai airlines, as well as opening new airlines such as Thai Smile Airways, Lion Air, City Airways etc. (Civil Aviation Training Center, 2013).

Because the increasing number of new airlines contradicts with the management failure rate, each airline must adopt new ideas to attract customers leading to competition in many aspects, for example, price, service, and even intensive promotions appropriate to the expansion of the aviation industry. However, there are also some uncontrollable risk factors such as unstable political matters which slowdown expenditure, give negative images, and lead to fewer tourists coming to Thailand. Despite the above mentioned facts, Thai Airways executives pointed out that political issues are just short-term problems, so the airways should look into how to deal with long-term marketing competition. The solution for Thai Airways has established Thai Smile Airways in order to focus on less traveled routes, as well as to initiate cost-effectiveness. The current situations in the Thai aviation industry have led to a research which aims to study Thai Smile Airways' background, the present situation of the aviation industry, competition, market share, target customers, market positioning, the direction of Thai Smile Airways in the future, as well as the marketing mix affecting customers' decisions to use the service. The results are followed by suggestions on adjusting marketing strategies to suit customers' behaviors.



## Research Objectives

- 1) To study current situations and marketing strategies of Thai Smile Airways
- 2) To study the marketing mix this affects customers' decisions to use Thai Smile Airways' service
- 3) To analyze current situations and the marketing strategies of Thai Smile Airways
- 4) To propose suggestions on adjusting marketing strategies to suit customers' behaviors

## Literature Reviews

Related notions, theories, and research: this study applied related documents and research to analyze and support the study, including the following:

1. Demographic Theories: Middleton (1995), Hanna and Wozniak (2001), Shiffman and Kanuk (2003) provided similar meanings for demography as being information about each individual that stimulates the travel demand. The demographic factors which affect demand patterns and traveling frequency are age, gender, education, occupation, salary, religion and nationality. Generally, these factors are basic features used to analyze market segmentation by relating needs, preferences, and consumption rates. According to Swenson's notion (1992), studying demography attentively and thoroughly can distinguish similar target groups from a large market consisting of different consumers. So a business can focus on a particular market suitable for its products or services rather than attempting to meet all the demands in the market, as in the past. This strategy is called market segmentation. Many manufactures acknowledge this notion since it is really difficult to fulfill the demands for all types of consumers with different demographic features which cause them to have different behaviors and opinions.

2. Marketing Strategy Theories: Kotler (1996) provided the description for marketing strategy as thoughts, plans, and actions which bring a business to a success exceeding other rival businesses. The strategy also gives such a business advantages to operate projects and activities more distinctly and effectively. It can be said that marketing strategy starts with STP: segmentation, targeting, and positioning. A business looks at every kind of consumers, and then chooses a target market which the business can best reach customers' expectations. Kotler and Armstrong (1994) said that it is the process of a service society, where individuals get what they need from producing, presenting, and trading between groups. Coltman (1989) also added that marketing is a system of research and planning leading to perfect execution of activities; it consists of: determining policy and strategy for the organization, size and decoration, atmosphere, management, predictions, budget, schedules and promotion. In addition, Cowell (1984) said that marketing strategy is the attempt of an organization to get customers, satisfy their needs, and keep them as regular customers by creating products and transporting them in the way that exceeds customers' expectation.



3. Aviation Industry Theories: Bunlert Jittangwattana (2008) explained that when the aviation industry integrates production factors to create air transportation and customers, which leads to business expansion aiming for profits, strategies become important in management to keep regular customers as well as to get new customers in the future. The aviation industry can expand not only by aviation business development, but also by the stable state of the economy in developing countries, where the cost of living is getting higher resulting in a need for more convenient transportation. Thus, the executives must focus on fulfilling demands appropriate to the target market and products by using a marketing mix suitable for the aviation industry.

4. Customers' Behaviors and Purchasing Decision Theories: Kotler (1996) noted that customers' behavior studies will lead to new product development, new product features, prices, distribution, information, and other suitable marketing mixes. Schiffman and Kanuk (1994 ) defined customers' behavior as behaviors of customers who seek to buy, use, and evaluate products or services that they expect to fulfill their needs. In short, it is a study of behaviors, decisions, and actions of customers regarding purchasing and consuming products. Similar to Solomon (1996), customers' behavior is a process when an individual or individuals choose, buy, use, and manage, after purchasing products or services according to their notions, knowledge or experiences to fulfill their needs. Engel, Blackwell, and Miniard (1995) said that customers' behavior are activities directly related to consummation, management of products and services, as well as decision making processes before and after such activities. For Blythe (1997), customers' behavior is explained as a complicated decision making process to buy products and services, starting with need identification, the difficulty is located and defined, possible solutions are suggested, consequences are considered, a solution is accepted, and a purchase is made respectively.

## **Methodology**

This study compiled information from primary and secondary resources for the analysis. Therefore, to get the data in its entirety, the researcher determined a population and sampling which consisted of strategy and policy specialists working for Thai Smile Airways, and Thai Smile Airways' customers at Udon Thani International Airport and Ubon Ratchathani, and then collected the data by questionnaires and in-depth interviews. The statistics methods include Stratified Random Sampling, and Proportional Stratified Random Sampling (KanlayaVanichbuncha, 1999)

**Table 1:** Customer Population using Stratified Random Sampling

<b>Airport</b>	<b>Population</b>	<b>Samplings</b>
<b>Udon Thani International Airport</b>	350,784	253
<b>Udon Ratchathani Airport</b>	233,856	147
<b>Total</b>	<b>584,640</b>	<b>400</b>

From the record, in 2013 there were 584,640 Thai Smile Airways' passengers who came to Udon Thani International Airport and Udon Ratchathani (Thai Smile Airways, 2013). The researcher divided the samplings before analyzing into: 253 samplings from 350,784 customers at Udon Thani International Airport, and 147 samplings from 233,856 customers at Udon Ratchathani International Airport, for a total of 400 samplings.

## Results

### Present Situations of the Aviation Industry

At present, there are still challenges for the aviation industry in Thailand, as the economic and political matters are unstable, affecting traveling activities along with competition among airlines. However, the overall image is predicted as positive, with factors stimulating tourism expansion, growth of the regional economy, and increasing routes for the opening of the ASEAN Community. These factors have led to more demands for low-cost airlines. According to Kasikorn Research Center, it is expected that the customers at Don Mueang International Airport and Suvarnabhumi Airport will reach 22.70-23.54 million in 2015, or 19-23 percent greater than the number 19.13 million in 2014. Nevertheless, the growth of low-cost airlines has slowed down due to political matters which affect an unstable economy. Thai Airways, then, needs to adjust its marketing strategies to bring liquidity to the aviation industry (Kasikorn Research Center, 2014).

### Present Business Perspective of the Aviation Industry

Before becoming the center of Asia-Pacific and getting accepted world-wide, Thai aviation industry had been supported by different people and foreign airlines around the world. These factors caused many airlines to adjust their services to become unique. From interviews with executives of Thai and foreign airlines, there are many views about the present state of the aviation industry as follows:

Firstly, Tassapon Bijleveld, CEO of Thai AirAsia, commenting on the business perspective said that recently there have been many new airlines established in Thailand, which provide the passengers with more choices. Thai AirAsia has adjusted their routes by increasing and decreasing routes according to customers' behavior, for example, adding flights in high-season, and reducing



flights in low-season. Next, Puttipong Prasarttong-Osoth, the president of Bangkok Airways, said that there have been more airlines established, and airlines world-wide are facing intense competition. Although there are political problems, many foreign tourists and businesspersons coming to Thailand have been stimulating recovery of the Thai aviation industry. Plus, Thailand has many tourist attractions which guarantee the potentials to attract more tourists in the future. Yongyut Sujitanon, marketing manager in charge of Thailand and Myanmar of Cathay Pacific, said the aviation industry world-wide has been growing increasingly in the past few years. Thailand is one of the countries that many airlines come to for investment. Cathay Pacific also used Bangkok as its center for setting destination routes. Khalid Bardan, Area manager of Emirates Airline Thailand and Indochina, also stated that even though the political matters in Thailand are still unstable, the number of passengers coming to Thailand is still very high for Emirates Airline. Patee Sarasin, CEO of Nok Air, said that the competition between airlines has been intense as there are many new airlines for customers to choose from. Each airline has to continue improving to satisfy customers' needs as much as possible. Similar to Ahmed Hazeem, AL Balushi, District Sales Manager of Thailand Oman Air, agreed that there has been high competition recently. The airlines have come up with a plan to reduce ticket prices, while keeping profits. Environment is also an important issue, so Qantas Airways is cooperating with Solena Group to apply bio fuel.

In summary, there is high competition in the aviation industry in Thailand as there are many low-cost airlines providing more choices and encouraging more traveling. This is regarded as a positive factor for every airline in Thailand.

### **Potential of Thai Smile Airways**

Thai Smile Airways is a sub-brand of Thai Airways International Public Company Limited. The aircraft model is the Airbus A320. Types of services are adjusted to suit short-trip passengers. There are two service classes: Smile for economy class seats and Smile Plus for business class seats. It is executed under the Airline Operator Certificate (AOC), the same as Thai Airways. The Air Code is TG which is used for flights within and outside of the country is based in Bangkok (Suvarnabhumi Airport). Thai Smile Airways displays liveliness, cheerfulness, activeness, modernity, charm, and friendliness among the heat of intense competition. After low-cost airlines became popular, Thai Airways created a sub-brand to take market share and promote its image. Thai Smile Airways is still under the same service standard as Thai Airways to promote the capability of short-range flights. There are also marketing strategies to assure its services, such as, seat reservation and check-in at the counter with no charge, free snacks and beverages on the plane, 20 kg luggage with no charge for economy class, and 30 kg luggage with no charge for business class. The customers can collect Miles with Royal Orchid Plus the same as with Thai Airways. Compared with other low-cost airlines, Thai Smile Airways can be regarded as a product with reasonable prices (Thai Airways, 2014). The following is a plan to increase flights and routes:

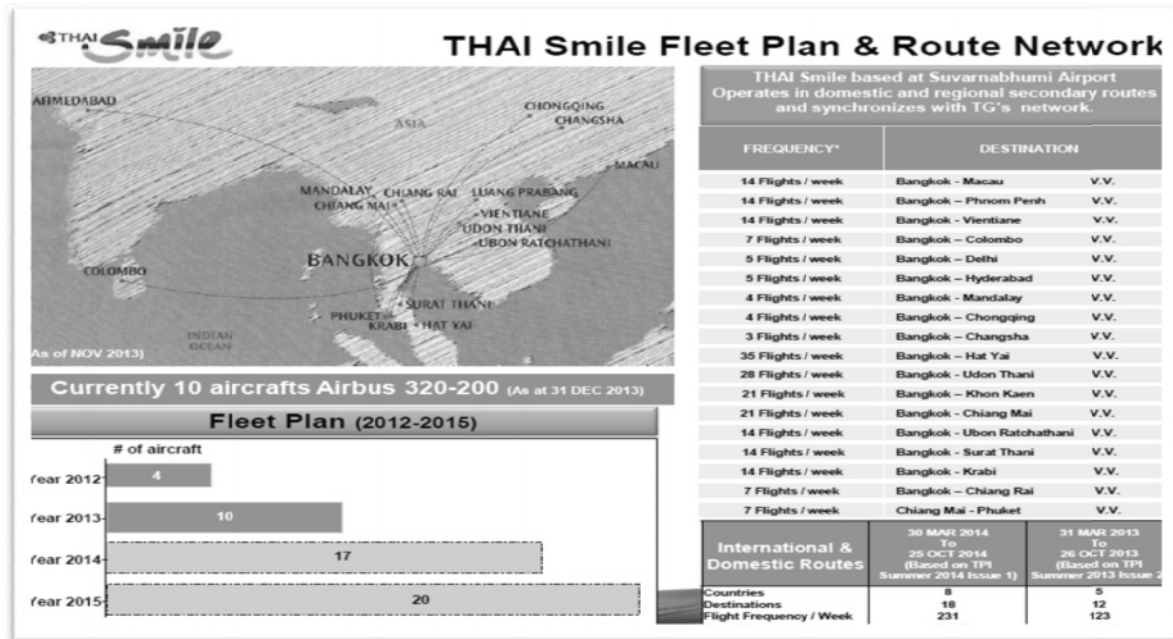


Fig1. Thai Smile Airways' Fleet Plan and Route Network

Thai Smile Airways has been operating since July, 2012, and has been able to continually meet the demand. At present, the competition in the aviation industry is very intense, and it is difficult to take market segmentation. Thai Smile Airways has separated from its parent company, Thai Airways, for convenience in management. However, Thai Airways is under the government's administration, making it difficult to execute some plans and policies. The marketing strategies are as follows:





1) Market Segmentation – Thai Smile Airways is a new airline, so it is still in the process of getting market segmentation, in other words, it can be regarded as a new challenger in Thailand's aviation industry. The executives have set the goal to seize 60 percent of the premium grade economic airlines' market segmentation, which means being the market leader. However, to be the market leader in premium grade economic airlines, the airline has to consider many influential factors.

2) Market Targeting – Because Thai Smile Airways aims to be the market leader in premium grade economic airlines, the airline has limited its target market to those who have medium level purchasing power and higher. Most of the customers are among those from Thai Airways and Nok Air.

3) Market Positioning – Thai Smile Airways operates under a multi-brand strategy. Its parallel company, Thai Airways, has different purposes in determining market positioning, which is divided into three sections: high-end market positioning for Thai Airways, middle class for Thai Smile Airways, and low-end for Nok Air. The following is a table comparing market positioning of four airlines:



**Table 2:** Comparison of Market Positioning and Services of Four Airlines in Thailand

Bangkok Airways	Thai Smile Airways	Nok Air	Thai AirAsia
			
-Boutique Service	-Premium Service	-Low cost	-Low cost
-Flyer Bonus	-Royal Orchid Plus	-Nok Fan Club	-Big Cart
- New and Old Aircrafts	- New Aircrafts	- New and Old Aircrafts	- New Aircrafts
-Snack box, Coffee Tea, Soft Drinks and Water (Free)	-Snack box, Coffee Tea, Soft Drinks and Water (Free)	-Snack box and Water (Free) -Coffee Tea, Soft Drinks (Buy)	-Snack box and Water Coffee Tea, Soft Drinks (Buy)
- Baggage 20 Kg.	- Baggage 20 Kg.	- Baggage 15 Kg.	- Charge
-Price 1,390-2,500 *	-Price 1,500-2,600 *	-Price 1,200-1,700 *	-Price 1,300-2,300 *
- Insurance Included	- Insurance Included	- Insurance Included	- Insurance Included
- Call Center 24 hr.	- Call Center 24 hr.	- Call Center 08.00 am. – 9 pm.	- Call Center 08.00 am. – 9 pm.
- Boutique Lounge All Passenger	- Royal Silk Lounge Only Business and First Class	N/A	N/A

\* The approximate prices for Bangkok-Udon Thani during May, 2014

**From:** Thai Smile Airways, Bangkok Airways, Nok Air, and Thai AirAsia (2014)

From the table, the similarity between Nok Air and Thai AirAsia is that the two airlines use newly purchased aircrafts. The difference between Thai Smile Airways and Bangkok Airways is that Thai Smile Airways provides business class with a lounge, while Bangkok Airways provides a lounge for all passengers. This information corresponds with the executives' interview about strategies and policies to determine market positioning as premium grade not low-cost, in order to focus on middle class customers and convenience in short-trip services.

### Data Analysis and Discussion

In the process of the study, marketing strategies which affect customers' decisions to choose Thai Smile Airways' service in the Northeastern region of Thailand, the researcher interviewed policy and marketing strategy specialists working for Thai Smile Airways, and studied the data from airway executives' reports. It can be summarized that Thai Smile Airways focuses on premium-level market positioning, not being a low-cost airline. The prices are more expensive than low-cost ones, but cheaper than full-service airlines. The main airplane model is the newly purchased A320 which can fly within and out of the country taking no more than four hours. The service quality is still the same standard as Thai Airways. Marketing strategies which affect customers' decisions to choose Thai Smile Airways' service in the Northeastern region of Thailand are summarized in the following table:

**Table3:** Marketing strategies which affect customers' decisions

Marketing Strategy	Factors affecting customers' decisions	(Mean,S.D.)
1. Products	There is life insurance for each seat that is fairly priced.	( $\bar{X} = 3.75$ , S.D. = 1.06)
2. Prices	The prices are clearly presented.	( $\bar{X} = 3.78$ , S.D. = 1.07)
3. Place	There are many ticket agents which are easy to find and very convenient.	( $\bar{X} = 3.57$ , S.D. = 1.06)
4. Promotions	There are a high number of promotions, for example, Earning Mile Partners, privilege, seasonal promotions etc.	( $\bar{X} = 3.61$ , S.D. = 0.99)
5. Process	There is compensation when the luggage is damaged.	( $\bar{X} = 3.77$ , S.D. = 1.09)
6. Physical Evidence	There is a high satisfactory level while waiting at the check-in counter.	( $\bar{X} = 3.74$ , S.D. = 1.03)
7. People	Flight attendants are very friendly and polite to customers.	( $\bar{X} = 3.95$ , S.D. = 1.17)
	Flight attendants are very well-dressed.	( $\bar{X} = 3.84$ , S.D. = 1.20)
	Flight attendants take care of every customer equally.	( $\bar{X} = 3.84$ , S.D. = 1.18)



According to marketing strategies 7P's, factors which affect customers' decisions, the most persuasive factor for Peoples was flight attendants being very friendly and polite ( $\bar{X} = 3.95$ , S.D. = 1.17), followed by well-dressed flight attendants ( $\bar{X} = 3.84$ , S.D. = 1.20), and attentive flight attendants ( $\bar{X} = 3.84$ , S.D. = 1.18).

People are clearly the factor with the highest Mean from Thai Smile Airways customers 'opinions. Flight attendants' being friendly and polite is the most affective in encouraging customers to choose Thai Smile Airways' service. Therefore, this factor can be applied as a strong point to get advantage in aviation industry both at the initial stage and in the long-term.

For traveling purpose and factors affecting customers' decision, most of the customers whose purpose is traveling on holidays work as government officials, or state enterprise workers who get 45,000 or higher baht per month. This group of customers is very attentive to the price as they have to pay the cost by themselves. Moreover, many of them are married, meaning that there is other person who takes part in the decision. Because the main purpose of traveling is for spending weekends or holidays, these customers tend to plan their trip very carefully. The trips are usually within regions or domestic. So, these factors can be a guide to adjust marketing strategies to suit with customers' behavior and deciding process.

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**The result leads to a method in adjusting marketing strategies to suit with customers that chose Thai Smile Airways service, by using marketing strategies: market segmentation, market targeting, and market positioning.**

This study will be useful for those who are interested in marketing strategies which affect customers' decisions to choose Thai Smile Airways' service in the Northeastern region of Thailand, and also for Thai Smile Airways executives to use the findings as a guide to improve services and potential in competition as Thai Smile Airways is a new airline in Thailand's aviation industry.



1) Market segmentation – Thai Smile Airways’ market segmentation can be divided by purposes and needs of customers to focus on the target market, and then use marketing mix to properly meet customers’ expectations.

1.1) Market segmentation considering geography – Customers are divided by their hometown or residential area. Thai Smile Airways should pay attention to customers traveling from the Central region and provinces near international airports in Udon Thani and Ubon Ratchathani. These customers are from Nongkai, Bungkarn, Nongbua Lamphu, Yasothon, Si Sa Ket, and Amnat Charoen.

1.2) Market segmentation considering demography – Customers are divided by their profile. Most of them are married and work as government officials, or state enterprise workers. Therefore, Thai Smile Airways should consider market segmentation considering customers who work as government officials, or state enterprise workers. Married individuals also tend to travel with companions, either their spouse or family members.

1.3) Market segmentation considering traveling purpose – customers mostly travel for vacations or holidays. Therefore, Thai Smile Airways should consider market segmentation considering customers whose purpose is to travel on vacations or holidays.

1.4) Market segmentation considering customers who repeat using the service – Most of customers are members holding Earning Mile Partners silver cards, and are very loyal to the brand Thai Airways, resulting in their decision to choose Thai Smile Airways which travels on the less-traveled routes.

2) Market Targeting – Since most of the customers work as government officials, or state enterprise workers who travel on holidays, and are members of Royal Orchid Plus silver card, Thai Smile Airways should determine its target market as follows:

2.1) Thai Smile Airways should determine its target market to be government officials, or state enterprise workers who travel on holidays. Moreover, most of these individuals are married and likely to travel with their families. Thai Smile Airways can come up with a promotion, such as Royalty Member particularly for this group of customers.

2.2) Thai Smile Airways should determine its target market to be customers who are repeat travelers, as they are those who use the service so frequently that they earn a Royal Orchid Plus silver card.

3) Market Positioning – Determining product positioning in the aviation industry means choosing the most distinct and unique product which can attract and become popular among customers. From the study, it was found that Nok Air was the second choice for most of the customers even though this airline aims to dominate the low-cost market share. Thai Smile Airways focuses on a service better than the low-cost standard, so it can make a difference in market positioning by the following:



3.1) Thai Smile Airways is a Thai airline, so it should represent more Thai culture, such as serving Thai dessert, and Thai seasonal fruits.

3.2) Thai Smile Airways should provide the boutique lounge for all customers to keep up with the policy of promoting service quality and to show a difference from the low-cost airlines.

#### 4) Strategies for Marketing Mix

4.1) Product: The most persuasive factor in the customers' opinion was that there is life insurance for every seat and the price is fair, while the least persuasive one was comfortable seats. The customers also mentioned that they would like the airline to improve the quality of snacks served on the airplane, as well as provide a lounge for customers. At present, Thai Smile Airways uses the A320 model airplane which is capable of flying short to medium distances, according to the policy to fly between regions and within the country. By using the same model, the cost for maintenance is cheaper, and it is easy to find replacement parts. The seats are arranged in a 3-3 pattern, three columns for each side, total 174 seats.

Thai Smile Airways, then, should pay more attention to the quality of the seats by increasing the size or organizing IFE (In-flight Entertainment) so that the customers can enjoy the flight.

4.2) Prices: The most persuasive factor in the customers' opinion was that the prices are presented very clearly, while the least persuasive one is reasonable prices.

Therefore, Thai Smile Airways should adjust the ticket prices so that they differ from full-service airlines and conventional airlines. Recently, there has been intense competition on Ubon Ratchathani and Udon Thani routes, involving both price and promotions. This can affect Thai Smile Airways' customers' decisions in the future.

4.3) Place: The most persuasive factor in the customers' opinion was that there are many ticket agents which are easy to find and very convenient, while the least persuasive one was that the places are large, clean, and show opening and closing times clearly.

So, Thai Smile Airways should look into places for distributing tickets directly, as there are only ticket agents available. By doing so, the customers will find it more convenient in purchasing flight tickets.

4.4) Promotions: The most persuasive factor in the customers' opinion was the high number of promotions, for example, Earning Mile Partners, privilege, and seasonal promotions, while the least persuasive one was advertisements through newspapers, television, posters, and brochures.

Thai Smile Airways can improve marketing strategies by advertising its promotions and services through media, such as newspapers, television, posters, and brochures. Moreover, there should only be advertisements for Thai Smile Airways or joint advertisement with Thai Airways so that the customers will remember the brand. From the study, most of the customers are government officials and state enterprise workers, so promotions should focus on this group of customers.



4.5) Process: The most persuasive factor in the customers' opinion was compensation when the luggage is damaged, while the least persuasive one was the speed in receiving the luggage after a flight. The customers gave suggestions to increase the quality of attentive service according to the example case of some customers who arrived in Don Mueang International Airport who had traveled with other airlines and wanted to go on Thai Smile Airways or Thai Airways' flights. They found that it was difficult when taking flights late at night, and they also were concerned with safety.

For the process strategy, Thai Smile Airways should increase the number of workers to improve quality in the luggage transfer process, or bring new innovations to help the transfer process so it gets faster. In addition, there should be coinciding schedules between Don Mueang International Airport and Suvarnabhumi Airport.

4.6) Physical evidence: The most persuasive factor in the customers' opinion was that the customers feel comfortable at the check-in counter, while the least persuasive one was the quality of facilities on the airplane. This issue can be solved by implementing IFE (In-flight Entertainment) and checking all the facilities so that they are neat and always in good condition. Wi-Fi technology is also important to help customers have access to information conveniently.

4.7) People: The most persuasive factor in the customers' opinion was well-dressed flight attendants, while the least persuasive one was the 24-hour call center. The customers complained that it is difficult to contact Thai Smile Airways by phone. At present, Thai Smile Airways uses the same call center as Thai Airways which receives massive amounts of calls from all over the world each day. The solution is increasing more operators to handle the number of calls, and adding a call center number only for Thai Smile Airways.

### **Suggestions for Improving Marketing Strategies of Thai Smile Airways**

1) To increase new customers while keeping regular customers – For Thai Smile Airways, finding new customers is very important because it is a newly opened airline. The executives should focus on exploring the difference in the middle class market and getting customers from rival airlines or new customers. However, to get new customers, advertisements and attractive promotions are needed, resulting in more cost. Although, strategies for getting new customers and keeping regular customers are very similar to each other, there are uncontrollable external factors that can decrease the number of regular customers, such as economic problems. Thai Smile Airways is also under the government's administration. This means that it is difficult to launch intense marketing strategies. The easiest and cheapest thing without the need to be approved by the government is creating a good relationship with customers.

2) To keep a good image and good relationship with customers is very important. However, Thai Smile Airways is still a new airline with many rivals who provide services on the routes Thai Airways does not provide. Strategies to attract customers and keep a good relationship with them, at the same time can be divided into three phases:



2.1) Before the service: Create a good image before the customers choose Thai Smile Airways' service, by providing information, giving suggestions, and advertising promotions. This is a crucial step for a newly organized airline as customers need to learn about its services.

2.2) During the service: They need to be training to assure excellent service, starting from booking clerks, check-in receptionists, and flight attendants. During the service is a key to determine whether the customers will come back or not and what they tell their acquaintances about the airline.

2.3) After the Service: After the customers get off the plane, they have to be enough workers to transfer and manage the luggage, and also, public relations that can give information about the destinations the customers wants to know. Providing help and services with care will help in decreasing dissatisfaction.

3) From the fact that most of the customers work as government officials, or state enterprise workers and travel for a short period on their holidays, Thai Smile Airways should increase flights on weekends and national holidays.

4) Suggestions for future study include studying external factors, for example, culture, economy, society, technology, and politics which affect the customers' decision to choose Thai Smile Airways in the Northeastern region, so that the results can be useful in adjusting marketing strategies to meet customers' expectations.

### **Suggestions for the further research**

1. It should be studied other factors such as external factors, including cultural, economic, social, technological and political factors. They might influence customers in decision a Thai Smile Airways in the Northeastern Thailand Routes in order for improving the airline to meet the needs of passenger.

2. It should be studied the behavior of the passengers of Thai Smile Airways. Because this research found that passengers also confused the distinguished service between two level airlines.

3. It should be studied factors beyond 7 Ps of marketing studies in other airlines that are providing similar services.

4. It should be studied other routes of Thai Smile Airways in both domestic and international routes.



## Conclusions

Thai Smile Airways is a new airline in the Thai aviation industry which has to rely on many factors. Although the airline can cover all the domestic routes, it still needs to increase new customers while keeping regular ones' satisfied. This is the challenge that the airline has to manage. However, Thai Smile Airways is a choice for those who look for a more comfortable and different trip than low-cost airlines provide. Therefore, the airline should continue maintaining its high quality services to its advantage.

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